

BEFORE THE

Illinois Commerce Commission

DOCKET NO. 00-0226

IN THE MATTER OF: NET2000 COMMUNICATIONS SERVICES, INC.

PLACE: Springfield, Illinois

DATE: April 13, 2000

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ILLINOIS
COMMERCE COMMISSION

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BEFORE THE
ILLINOIS COMMERCE COMMISSION

NET2000 COMMUNICATIONS) DOCKET NO.
SERVICES, INC.) 00-0226
Application for a certificate of)
local authority to operate as a)
reseller and facilities based)
carrier of telecommunications)
services in the State of Illinois.)

Springfield, Illinois
April 13, 2000

Met, pursuant to notice, at 2:00 P.M.

BEFORE:

MR. WALLACE, Examiner

APPEARANCES:

MR. ANTHONY HANSEL
2180 Fox Mill Road
Herndon, Virginia 20171
(Appearing via telephone on behalf of
Net2000 Communications Services, Inc.)

MS. CINDY JACKSON
527 East Capitol
Springfield, IL 62794
(Appearing on behalf of the Staff of the
Illinois Commerce Commission.)

SULLIVAN REPORTING COMPANY, by
Tracy G. Bartolomucci, Reporter
Ln. #084-003861

1 APPEARANCES CONTINUED:

2 MR. ROBERT KOCH
3 527 East Capitol Avenue
4 Springfield, Illinois 62794
5 (Appearing on behalf of the Staff of the
6 Illinois Commerce Commission.)
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P R O C E E D I N G S

(Whereupon Applicant's
Exhibits 1 and 2 were marked
for purposes of
identification as of this
date.)

EXAMINER WALLACE: Pursuant to the direction
of the Illinois Commerce Commission, I now call
Docket 00-0226. This is the application of Net2000
Communications Services, Inc. seeking a certificate
of authority to provide telecommunications services
within the State of Illinois.

May I have appearances for the record,
please.

For the Applicant?

MR. HANSEL: For the Applicant, my name is
Anthony Hansel. I'm an employee of Net2000
Communication Services, Inc. as an attorney. My
business address is 2180 Fox Mill Road, Herndon,
Virginia, 20171.

EXAMINER WALLACE: And you're licensed to
practice in the State of Virginia?

1 MR. HANSEL: In the State of Maryland and
2 D.C.

3 EXAMINER WALLACE: All right. For the
4 purposes of this hearing we'll permit you to appear
5 on behalf of the Applicant under the Rules of
6 Practice.

7 For Staff?

8 MS. JACKSON: Cindy Jackson, Consumer
9 Services Division, Illinois Commerce Commission, 527
10 East Capitol Avenue, Springfield, Illinois.

11 MR. KOCH: For Staff of the
12 Telecommunications Division of the Illinois Commerce
13 Commission, Robert Koch, K-o-c-h, 527 East Capitol,
14 Springfield, Illinois.

15 EXAMINER WALLACE: Thank you. Let the
16 record reflect no other appearances at today's
17 hearing.

18 Mr. Hansel, you're going to sponsor your
19 own testimony?

20 MR. HANSEL: Okay. Yes, I am.

21 A N T H O N Y H A N S E L
22 called as a Witness on behalf of Net2000

1 Communications Services, Inc., having been duly
2 sworn, was examined and testified as follows:

3 DIRECT EXAMINATION

4 BY EXAMINER WALLACE:

5 Q. All right. You've sent in previously to
6 myself and the Staff copies of your prefiled
7 testimony entitled the Prefiled Testimony of Anthony
8 Hansel, Counsel, Net2000 Communications Services,
9 Inc. Would you -- your testimony consists of eight
10 pages?

11 A. Uh-huh.

12 Q. And do you have any corrections or
13 additions to make at this time?

14 A. I do not.

15 Q. All right. And if you were asked the
16 questions today would your answers remain the same?

17 A. Yes, they would.

18 EXAMINER WALLACE: Are there any objections
19 to Applicant's Exhibit Number 1?

20 MS. JACKSON: No.

21 EXAMINER WALLACE: Applicant's Exhibit
22 Number 1 is admitted.

1 (Whereupon Applicant's
2 Exhibit 1 was admitted into
3 evidence as of this date.)

4 Q. (By Examiner Wallace) Also, at least
5 preliminarily, Mr. Hansel, you've submitted Mr. Koch
6 some financial information concerning the -- I guess
7 the capitalization?

8 A. Yes.

9 Q. And that was faxed to Mr. Koch.

10 EXAMINER WALLACE: We've marked this as
11 Applicant's Exhibit Number 2, and on my own motion I
12 would move to admit it into evidence. Is there any
13 objection from any of the parties?

14 MS. JACKSON: No objections.

15 MR. HANSEL: No objections.

16 EXAMINER WALLACE: Applicant's Exhibit
17 Number 2 is admitted.

18 (Whereupon Applicant's
19 Exhibit 2 was admitted into
20 evidence as of this date.)

21 Q. (By Examiner Wallace) Did you have anything
22 further you wish to state at this time in regard to

1 testimony on behalf of the Applicant, Mr. Hansel?

2 A. Not at this time.

3 EXAMINER WALLACE: All right. Then I'm
4 going to -- Miss Jackson has a few questions?

5 MS. JACKSON: Yes.

6 CROSS EXAMINATION

7 BY MS. JACKSON:

8 Q. Tony, I just have some clarifying
9 questions for you.

10 A. Okay.

11 Q. Starting with the Application, Question
12 Number 2, you've requested 13404 authority. Is that
13 for local and IXC?

14 A. We already -- okay, excuse me. The
15 facility?

16 Q. No, this is resale.

17 A. We already have resale IXC authority, so
18 this is just for the local.

19 Q. Question Number 15, you describe how you
20 plan to bill your customers. Will you bill them on a
21 monthly basis?

22 A. Yes.

1 Q. And will you issue a detailed billing
2 statement?

3 A. Yes.

4 Q. And it will list all services and features?

5 A. Yes.

6 Q. Taxes and surcharges?

7 A. Yes.

8 Q. Question Number 23 of your application,
9 since you were also requesting resale authority, I
10 think there should be an answer in the note column in
11 addition to the yes column, so whose services do you
12 plan to resell?

13 A. Well, our backbone services go over Level
14 3, and we lease facilities from Ameritech, we will
15 be, so we'll be reselling Ameritech services.

16 Q. Okay. Now I just have some general
17 questions for you. Who will provide repair service
18 for your company?

19 A. Repair services, we have a network
20 operations center in our headquarters which monitors
21 our network, and so basically, we will have the
22 ability to send out Net2000 technicians to repair

1 services, and if that's not possible then we will
2 have Ameritech's technicians go to and fix and repair
3 the services. But to the extent Net2000 can repair
4 the services themselves, we will.

5 Q. How many people does Net2000 employ?

6 A. Approximately 500.

7 Q. Will your company meet the requirements of
8 the Telephone Assistance Program?

9 A. Yes, we will.

10 Q. And you will solicit, collect and remit
11 the voluntary contributions to support the program?

12 A. Yes, we will.

13 Q. Does your company plan on filing to become
14 an eligible telecommunications carrier?

15 A. And that entails?

16 Q. That would allow you to receive federal and
17 state reimbursement for Lifeline and Link-up and high
18 cost funds.

19 A. Not initially.

20 Q. Okay.

21 EXAMINER WALLACE: You said Lifeline,
22 Link-up and what?

1 MS. JACKSON: High cost funds.

2 Q. (By Ms. Jackson) So are you aware then that
3 you will not be able to receive any federal
4 reimbursement if you're not an eligible
5 telecommunications carrier?

6 A. Yes, I am aware of that.

7 Q. Will your company abide by the rules and
8 regulations for telecommunications access for persons
9 with disabilities?

10 A. Yes, we will.

11 Q. And telecommunications relay service?

12 A. Yes.

13 Q. Will your billing system be able to
14 distinguish between resale and facilities-based for
15 the collection of line charges?

16 A. Yes, it does.

17 Q. How does your company plan to solicit
18 customers?

19 A. We have a direct sales force that
20 approaches customers and each customer will sign a
21 letter of authorization prior to switching them over,
22 but we do have Net2000 employees that will directly

1 solicit customers.

2 Q. And no third party telemarketers?

3 A. Not telemarketers. We do use agents as
4 well in some areas, but I don't believe it's through
5 telemarketing.

6 Q. Has your company ever provided service
7 under any other name?

8 A. Yes. Net2000 Group was the prior name of
9 Net2000 Communications Services, Inc.

10 Q. Okay.

11 A. And we've already provided services under
12 the name NTEL.

13 Q. Okay. Have any complaints or judgments
14 been levied against these companies?

15 A. We have -- I mean, all of the complaints
16 that have ever been referred to the commissions have
17 been dealt with quickly, but certainly, you know,
18 there have been calls since we have been providing
19 services for a few years now.

20 Q. Have you had any formal complaints or
21 judgments from the FCC?

22 A. No.

1 MS. JACKSON: Thank you. I'm done.

2 EXAMINER WALLACE: Mr. Koch?

3 CROSS EXAMINATION

4 BY MR. KOCH:

5 Q. I had one quick question. Who will be
6 responsible for maintaining the 911 database?

7 A. We have a contract with SCC Communications,
8 and so we send them our records and those records are
9 forwarded to the local exchange carrier within 24
10 hours, but we will work with SCC Communications to do
11 that.

12 Q. You said SCC or SEC?

13 A. SCC, as in cat cat.

14 Q. Who from your company will be compiling
15 that list? Who will be responsible for compiling
16 that list at your company?

17 A. I can -- at this point, Dave Nelson is the
18 Vice President of Operations, and so he will be in
19 charge of the 911 services. If you'd like, I can
20 certainly follow up with the particular individual
21 that deals with it, but certainly it would fall under
22 Dave Nelson's team.

1 MR. KOCH: That would be fine. I have no
2 further questions.

3 REDIRECT EXAMINATION

4 BY EXAMINER WALLACE:

5 Q. Mr. Hansel, I just had a couple myself.
6 When did Net2000 Group begin operations?

7 A. Just in general, or?

8 Q. Well, I notice from your application that
9 you had to change a name, and I just wondered when
10 Net2000 Group, when the whole thing got started.

11 A. We started out in 1993 as a sales agent for
12 Bell Atlantic, and then in 1998 we went off and
13 basically became a facilities-based CLEC.

14 Q. And in your answer to Question 24 of the
15 application, you indicate that you will provide POD
16 service, switched access, data transmission, and PBX
17 trunking. Does that include -- is there any other
18 service that you would be providing or plan to
19 provide?

20 A. We would -- frame relay services, but that
21 may fall under data transmission services, but frame
22 relay. Internet access.

1 Q. Okay. And the financial information that
2 has been submitted with the application shows a
3 positive growth over the past three years, is that
4 correct?

5 A. Yes.

6 Q. Past two years rather?

7 A. Uh-huh.

8 Q. I'm sorry, I was correct the first time,
9 past three years. And it's your testimony today that
10 Net2000 is financially capable of providing service
11 in Illinois?

12 A. Yes, it is.

13 EXAMINER WALLACE: All right. That's all
14 the questions I have. Anything further from Staff?

15 MS. JACKSON: No.

16 MR. KOCH: I did have one further question,
17 if I could clarify, if that would be possible.

18 EXAMINER WALLACE: All right.

19 RECROSS EXAMINATION

20 BY MR. KOCH:

21 Q. I did notice in Question 24 that 911
22 emergency services is listed as a service that the

1 company will be providing?

2 A. Yes.

3 Q. Could you explain into what capacity you'll
4 be providing 911 service?

5 A. Well, again, we've briefly touched on the
6 fact that we'll have a database updated through our
7 third party, SCC. At the same time, we'll connect
8 to, I believe -- or we will have a connection to the
9 911 infrastructure as well.

10 MR. KOCH: Okay. Very well.

11 EXAMINER WALLACE: Thank you, Mr. Hansel.
12 That's all the questions we have. Did you have
13 anything else you wish to submit on behalf of the
14 company?

15 MR. HANSEL: I do not.

16 EXAMINER WALLACE: Does Staff have anything
17 they wish to submit?

18 MS. JACKSON: No.

19 EXAMINER WALLACE: Do you guys generally
20 make a statement of any kind?

21 MS. JACKSON: Do you want us to?

22 EXAMINER WALLACE: Yes, please.

1 MR. KOCH: Staff sees no reason why this
2 certificate cannot be granted.

3 EXAMINER WALLACE: Thank you. The Order
4 should be out shortly, and if there's nothing further
5 the record will be marked heard and taken.

6 (Marked heard and taken.)
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1 STATE OF ILLINOIS)
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CERTIFICATE

I, Tracy Bartolomucci, CSR and Notary Public, do hereby certify that I reported in shorthand the foregoing proceedings and the foregoing is a true and correct transcript of my shorthand notes so taken as aforesaid.

I further certify that I am in no way related to or associated with any of the parties or attorneys involved herein, nor am I financially interested in the action.


TRACY BARTOLOMUCCI, CSR
Notary Public, Sangamon County, IL
CSR License No. 084-003861

Dated this 17th day of
April, A.D., 2000

My commission expires 3-6-2002

